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APPENDIX BF

Historical Investment Pools

The following funds have been retained for institutional memory:

U.S. Treasury Fund Investments (Historical)

1. Description and History

The fund was completely liquidated (AY75), and is no longer used. The following information has been retained for institutional memory. Treasury created a pooled environment by which it managed fixed income investments. The U.S. Treasury Pool seeks total return while meeting liquidity requirements and taking little credit risk. The pool was created on September 4, 2008 and was managed by Treasury's investment staff. The amount of money invested in this pool had fluctuated between \$150 million and \$200 million.

2. Investment Policy

Treasury invested the funds in this pool in a broad range of fixed income investments, but typically the portfolio consisted of U.S. Treasury notes. Under the Prudent Investor Rule, Treasury originally constructed the pool's portfolio with a moderately high interest rate risk tolerance and a low credit risk tolerance. Investments included instruments with a long-term credit rating of at least "Baa3" or equivalent and instruments with a short-term credit rating of at least "P1" or equivalent. The interest rate risk for this pool, as measured by duration, was generally be close (\pm 20%) to that of the Barclays Capital U.S. Intermediate Treasury Index. Investments were limited to the following:

- Money market investments comprising:
 - Repurchase agreements collateralized only by U.S. Treasury obligations, including bills, notes, and bonds, and only when the collateral carries a market value equal to or greater than 102% of the amount of the repurchase agreements, and only when the custodial bank appointed by Treasury will take custody of the collateral;

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- Commercial paper rated at least Prime-1 by Moody's Investor Services, Inc. and A-1 by Standard and Poor's Corporation; and
- Negotiable certificates of deposit and bankers acceptances; provided that an issuing bank must have total assets in excess of \$5 billion.
- United States Treasury obligations including bills, notes, bonds, and other debt obligations issued by the United States Treasury, and backed by the full faith and credit of the U.S.
 Government.
- Other full faith and credit obligations of the U.S. Government.
- Securities issued or guaranteed by agencies and instrumentalities of the U.S. Government, but not explicitly backed by the full faith and credit of the U.S. Government.
- Securities issued or guaranteed by municipalities in the United States.
- Obligations of foreign governments, sovereign states, supranational entities, and their instrumentalities denominated in U.S. dollars.
- Investment grade corporate debt securities comprising:
 - Corporate debt issued in the U.S. capital market by U.S. companies;
 - Euro-dollar debt (that is, U.S. dollar-denominated securities issued outside the U.S. capital markets by U.S. companies or by foreign issuers); and
 - Yankee debt (that is, U.S. dollar denominated obligations issued in the U.S. capital market by foreign issuers).
- Asset-backed securities.
- Agency and investment grade non-agency mortgage-backed securities backed by loans secured by residential, multifamily and commercial properties including, but not limited to passthroughs, collateralized mortgage obligations (CMO's), project loans, construction loans, and adjustable rate mortgages.
- Total return swaps referenced to components or sub-components of fixed income indices. To mitigate interest rate risk, the proceeds may not be invested in securities with a maturity beyond 90 days, unless invested in the Department of Revenue internally-managed Short-Term Fixed Income Pool.
- Investments in fixed income securities shall be placed solely in U.S. dollar denominated debt instruments.
- No more than 10% of the portfolio's assets may be invested in securities not explicitly backed by the United States Treasury or by full faith and credit of the U.S. Government.
- Corporate, asset-backed and non-agency mortgage securities must be rated investment grade.
 The investment grade rating is defined as the median rating of the following three rating agencies: Standard & Poor's Corporation, Moody's and Fitch. Asset-backed and non-agency

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mortgage securities may be purchased if only rated by one of these agencies if they are rated AAA. Corporate bonds may be purchased if rated by two of these agencies. Recognizing that ratings and relative asset worth may change, the manager shall liquidate invested securities with care and prudence when the credit rating of a security falls below the minimum standards set in these guidelines or when the relative market value of that investment type exceeds the levels of holdings permitted in these guidelines. The manager is required to notify the chief investment officer to discuss the situation and the proposed liquidation strategy if it is not prudent simply to liquidate immediately.

- The manager may not invest more than 5% of the portfolio's assets in BBB+ to BBB- rated debt by Standard and Poor's Corporation or the equivalents by Moody's or Fitch.
- Internal cross trades are permitted at prevailing market levels, in accordance with Department of Labor's Prohibited Transaction Exemption 95-66.

Investment in this pool was ideal for fund participants needing to invest part or all of their money with the following characteristics:

	Risk Tolerance	Moderate. The da	aily investment results	reflect daily chang	es in the market
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value of the pool's investments. Losses are possible over the short-term based on the changes in market value of the pool's assets, though less likely

than other pools which take on more credit risk.

Investment Objectives Willing to assume a higher amount of interest rate risk, volatility and

principal loss to achieve higher returns.

Current Income Daily earning credit. The earnings of the fund include interest and changes

in the market value of the investments held in the pool. There is no

distinction between current income and capital gains.

Inflation Protection Moderate need for long-term inflation protection. The pool should earn a

positive real rate over an intermediate time horizon while meeting its other

objectives.

Liquidity Need for moderate liquidity. The pool can accommodate withdrawals and

contributions (exceeding \$5,000,000) in the normal operating environment.

Time Horizon Moderately long time horizon. The longer time horizon allows a more

aggressive investment policy with higher expected returns than the

Intermediate-term Pool.

Treasury's performance benchmark for the U.S. Treasury Fund was:

100% Barclays US Intermediate Treasury Index.

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State Street Global Advisors Passive Bond Market Index Common Trust Fund (Historical)

1. Description and History

The Passive Bond Market Index Common Trust Fund became available to fund participants in March 2003 and is an efficient investment option for fund participants requiring a broad market fixed income option. Money is invested in a passively managed index fund that includes other, non-State institutional investors. When investing in this Trust, the State does not own the individual securities, but instead, much like an investment in a mutual fund, it owns shares of the Trust.

2. Investment Policy

Treasury invests money in State Street's Passive Bond Market Index Common Trust Fund. According to the State Street Global Advisors, the objective is to match the total return of the Lehman Aggregate Index while minimizing tracking error. Consequently, the risk characteristics of the Common Trust Fund approximates the risk of the fixed income market.

Investment in this option is ideal for funds needing to invest part or all of their money with the following characteristics:

Risk Tolerance High. The daily investment results reflect daily changes in the market value

of the common trust investments. Losses are likely over the intermediateterm based on the changes in market value of the common trust assets.

Investment Objectives Willing to risk significant short-term volatility and principal loss for the

possibility of large gains in the long-term.

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Current Income The total earnings of the common trust are calculated daily and included in

the daily unit price. Earnings are recorded on a monthly basis. The total earnings of the common trust include dividends and net appreciation. In calculating anticipated return, there is no distinction between current income

and net appreciation.

Inflation Protection Moderate need for long-term inflation protection. The common trust should

earn a positive real rate over an intermediate time horizon while meeting its

other objectives.

Liquidity Substantial liquidity available. The common trust can accommodate large

withdrawals because of the size of common trust itself.

Time Horizon Moderately long to long time horizon. The long time horizon allows a more

aggressive investment policy with higher expected returns than the other

fixed income options.

Treasury's performance benchmark for the common trust is:

100% Barclays US Aggregate Bond Index.

Emerging Income Plus Investments (Historical)

Description and History

The Lazard Emerging Income Plus Fund became available to fund participants in September of 2008. The fund was completely liquidated in the Spring of 2011, and is no longer used. The following information has been retained for institutional memory. Money was invested in an actively managed absolute return fund that included other, non-State institutional investors. When invested in this Trust, the State did not own individual securities, but instead it owned U.S. dollar denominated shares in an offshore (Bermudan) registered mutual fund.

Investment Policy

Treasury invested money in Lazard Emerging Income Plus Fund (the Fund) from September 2008 until Spring 2011. The stated objective of the Fund was an absolute return strategy that sought leveraged exposure to currencies of emerging market countries by invests in money market instruments, including short-duration

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currency forwards and local currency debt. The Fund typically invests in 20-30 local currency markets from an evolving universe of over 50 countries. The Fund's diversification is broad-based, including countries in Asia, Africa, the CIS/Baltic States, Europe, and the Middle East.

Investment in this option was for funds needing to invest part of their money with the following characteristics (*funds are no longer invested in this option*):

Risk Tolerance High. The daily investment results reflect daily changes in the market value

of Fund investments. Losses are likely over the intermediate-term based on

the changes in market value of the common trust assets.

Investment Objectives Reduce the volatility of State portfolios that currently invest in equities.

Current Income The Fund is not a source of current income.

Inflation Protection Moderate need for long-term inflation protection. The Fund should earn a

positive real rate over an intermediate time horizon while meeting its other

objectives.

Liquidity Liquidity is limited. New investments are allowed on the first business day

of any month. Shares may be redeemed on the last business day of any month, with 60-days prior notice. No partial redemptions are allowed which would leave a balance of less than \$1 million. Redemptions within the first

12 months of initial subscription are subject to a 2% redemption fee.

Time Horizon Moderately long to long time horizon. The long time horizon allows a more

aggressive investment policy with higher expected returns than the other

fixed income options.

Treasury's performance benchmark for the Fund was:

100% 3-month LIBOR + 800.